

**WINDERMERE EDUCATIONAL TRUST LIMITED
T/A WINDERMERE SCHOOL AND
WINDERMERE PREPARATORY SCHOOL
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

SATURDAY



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**WINDERMERE EDUCATIONAL TRUST LIMITED
T/A WINDERMERE SCHOOL AND WINDERMERE PREPARATORY SCHOOL**

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WINDERMERE EDUCATIONAL TRUST LIMITED
T/A WINDERMERE SCHOOL AND WINDERMERE PREPARATORY SCHOOL

INFORMATION
FOR THE YEAR ENDED 31 AUGUST 2015

Governors

Mr M Dwan Chairman
Mr S Howe MVO
Mr K G Longney
Mr R C W Parkinson
Mrs J Harris
Miss D Done
Mr J Dearden

Resigned 5 September 2014

Governors are nominated by the Board of Governors and are elected at the Annual General Meeting or by Special Resolution at Board meetings of the Governors (who are the Directors of the Company).

Officers and Senior Leadership Team

Head of Windermere School
Company Secretary

Mr I Lavender
Mr R C W Parkinson

Company number 00914963
Charity number 526973

Principal and Registered Office

Browhead
Patterdale Road
Windermere
Cumbria
LA23 1NW

Bankers

HSBC Bank plc
15 Crescent Road
Windermere
Cumbria
LA23 1EF

Auditor

Jackson Stephen LLP
James House
Stonecross Business Park
Yew Tree Way
Warrington
Cheshire
WA3 3JD

**WINDERMERE EDUCATIONAL TRUST LIMITED
T/A WINDERMERE SCHOOL AND WINDERMERE PREPARATORY SCHOOL**

**GOVERNORS' REPORT (INCLUDING THE STRATEGIC REPORT)
FOR THE YEAR ENDED 31 AUGUST 2015**

The members of the Windermere Educational Trust Limited's Governing Body present their Annual Report (including the Strategic Report) for the year ended 31 August 2015 under the Charities Act 2011 and the Companies Act 2006, together with the audited financial statements for the year.

REFERENCE AND ADMINISTRATIVE INFORMATION

Windermere Educational Trust Limited ("The Trust") was founded in 1863 in Lytham St Anne's. It is constituted as a Company Limited by Guarantee, registered in England and Wales, no. 00914963, and is registered with the Charities Commission under Charity No. 526973.

The Trust operates two schools known as Windermere School and Windermere Preparatory School. The Trust also operates under the trading names Windermere International Summer School and Ducklings.

There is one Governing Body for the two schools. Details of the members of the Governing Body, together with the Trust's officers and principal advisors, are given on page 1.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Documents

The Trust is governed by its Memorandum of Association and Articles of Association last amended on 9 November 2005.

Governing Body

The Governing Body is self-appointed with one third of its members required to retire by rotation at each AGM. The first appointed, or longest serving since last reappointment, are the first to retire. Members retiring by rotation can be re-elected.

New members of a Governing Body are elected on the basis of nominations of the Governors and the executive officers based on the candidates' professional qualities, experience, personal competence and local availability.

Recruitment and Training of Governors

New Governors are inducted into the workings of the Trust and its schools, including Governing Body policy and procedures, at an induction workshop specially organised for them by the Heads and Business Manager. The Governors carry out an annual skills audit and undertake to procure additional support and training to ensure the appropriate skills remain available to assist the school in meeting its strategic and operational objectives.

Organisational Structure

The Members of the Governing Body, as the Charity Trustees, are legally responsible for the overall management and control of the Trust and its Senior and Preparatory Schools. They meet six times a year. The work of implementing their policies is carried out by three Committees:

The Finance and General Purposes Committee scrutinise revenue, the budget and capital expenditure and monitor financial risk. This Committee also supervise and finalise the audited financial statements and annual report for approval by the Governing Body. The Finance and General Purposes Committee is chaired by Mr J Dearden and reports to the Governing Body at each board meeting.

The Risk Management Group monitors all strategic risks, other than financial risks, facing the Trust. This Group is chaired by Mr S Howe and reports to the Governing Body at each board meeting.

**WINDERMERE EDUCATIONAL TRUST LIMITED
T/A WINDERMERE SCHOOL AND WINDERMERE PREPARATORY SCHOOL**

**GOVERNORS' REPORT (INCLUDING THE STRATEGIC REPORT) - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2015**

The Nominations Committee, chaired by Mr R C W Parkinson, oversees the orderly succession for appointments to the Board and senior management.

Each Chair of each committee co-opts members of the Governing Body and any additional external expertise they deem appropriate for matters under consideration by each committee.

The day to day running of the schools is delegated to the respective Heads, supported by their Senior Management Teams. The Heads attend all meetings of the Governing Body's Committees with the exception of the Nominations Committee.

Employment Policy

The Trust actively supports the attainment of the highest standards of education through rigorous and continuous evaluation of quality and performance, the application of best practise and a wide spread desire to improve standards. We cooperate with local charities and educational bodies in our on-going endeavours to widen public access to the schooling we provide, to optimise the use of our cultural and sporting facilities and to awaken in our pupils an awareness of the social context of the all-round education they receive at the School.

The School is an equal opportunities employer. Full and fair consideration is given to job applications from disabled persons and due consideration is given to their training and employment needs. Consultation with employees, or their representatives, has continued at all levels with the aim of taking the views of employees into account when decisions are made that are likely to affect their interests. Employees are made aware of the financial and economic performance of the School.

Communication with employees continues through normal management channels in a variety of forms and also through exceptional channels to appraise staff of current issues.

Trust Management

The Governors give consideration to the major risks to which the Trust is exposed. The Governing Body has ultimate responsibility for managing any risks faced by the Trust. Detailed consideration of risks is delegated to the appropriate subcommittee. The structure of these committees comprises appropriate membership from the Governing Body, assisted by the School's Senior Leadership Teams and any external expertise that may be required from time to time.

The Trust management process and the resulting reports identifies risks, assesses their impact and likelihood and, where necessary, recommends controls to mitigate and monitor those risks that are assessed as high. The generic controls used by the Trust to minimise risks include:

- Detailed terms of reference together with formal agendas for each committee and Trust Board activity;
- Formal strategic development planning, reviewed termly and assisted by the Finance and General Purposes Committee;
- Comprehensive budgeting and management accounting;
- Established organisational structures and lines of reporting;
- Formal written policies including clear authorisation and approval levels;
- Vetting procedures as required by law for the protection of children.

The Trust has experienced consistent pupil numbers within its schools with the boarding houses operating at full or very nearly full capacity in recent years.

The Governing Body, therefore, decided for the academic year 2014/15 to increase all fees by just 1.0% per term for all years.

The Trust increased pay scales for 2014/15 by 1% on 1 January 2015 for all staff.

**GOVERNORS' REPORT (INCLUDING THE STRATEGIC REPORT) - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2015**

Health and safety is always a significant area for Risk Management. The risks range from fire and infrastructure to personal risks (most notably when away from the campus on trips and expeditions). The level and breadth of activity at the Trust Schools is impressive and the risks associated with all activities are minimised by thorough planning and risk assessments.

The Governing Body is satisfied that for all major risks identified appropriate controls have been put in place and maintained to mitigate those risks adequately. It is recognised that systems can provide only reasonable but not absolute assurance that major risks have been managed.

OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES

Charitable Objects

The Trust's Objects, as set out in the Memorandum of Association, are the advancement of education by providing general instruction of the highest class, together with physical and moral guidance in the Schools' management by the Trust. In furtherance of these Objects and for the public benefit, the Trust has established and administered bursaries, scholarships, awards and other benefactions, and acts as the Trustee and Manager of endowments, bequests and gifts given or established in pursuance of these Objects.

The Board is mindful of the long-standing need to provide public benefit and of the requirements of the Charities Act 2011. In this regard the Board has monitored closely the supplemental guidance produced by the Charity Commission, in particular its public benefit guidance on advancement of education and on fee-charging.

Despite a continuing difficult economic climate the Trust has again exceeded £1m of support provided by way of bursary, discount or financial support.

Vision

To be the best small school in Britain.

Mission Statement

The Trust's mission is to produce confident and compassionate people. Through teaching excellence, supportive pastoral care and experience of our environment, we encourage individual success for community good.

Our vision and mission are shaped by our determination to encourage self-knowledge, articulated by our school motto: Vincit qui se vincit – One conquers who conquers oneself. Today that means: overcome yourself and you will achieve.

The School challenges students to excel, to have sufficient self-reliance to know that determination can overcome adversity and be of value to society.

Intended Impact

Within its charitable Objects, the Trust's intention to provide a first-class education through strong academic tuition and by developing broader skills that enables every pupil to realise his or her potential to the full. This involves emphasis on the co-curriculum through cerebral, sporting, artistic, team-building and social skills. This policy builds self-confidence and life skills in our pupils and inculcates a desire to learn and a willingness to contribute to the wide community whilst at school and in later life.

**WINDERMERE EDUCATIONAL TRUST LIMITED
T/A WINDERMERE SCHOOL AND WINDERMERE PREPARATORY SCHOOL**

**GOVERNORS' REPORT (INCLUDING THE STRATEGIC REPORT) - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2015**

Aims

The Trust's aims for the public benefit are:

- To inspire students through a broad and balanced curriculum that challenges inside and outside the classroom, where they learn about their strengths and weaknesses, and are encouraged to reach beyond themselves;
- To support students to develop their individual academic, creative and sporting talents and skills of leadership to enable and empower them to make an active and real contribution to their world;
- To use the schools' unique location at the heart of mountains, lakes and rivers as a greater classroom for adventure and adventurous learning, where students will learn directly about the environment, each other and themselves;
- To foster a democratic and accountable culture where students contribute fully to school and community life and take increasing responsibility for their own learning and actions; and
- To encourage a global perspective by providing opportunities for all students irrespective of gender, race and beliefs and encouraging them to value and respect differences.

Strategies to Achieve the Primary Objectives

In the Windermere School Strategic Paper 2014 - 2020, the concept of Individual Pathways was first articulated and the long term aim was to increase educational opportunities for the wide range of students admitted to the school. Whilst recognising that the IB Diploma programme is an outstanding course, it is not the right course for everyone and the strategy was to develop pathways for all students. To assist with the creation and development of this programme the position for a Director of Student Pathways was approved to help guide students towards courses of study which would help them access opportunities beyond school. The clear aim was to develop Individual Pathways and expand the curricular opportunities available in the Sixth Form.

Another part of the strategy was to strengthen the reputation of the school in the locality by strengthening its community links. The service programme was refreshed and the introduction of school meals to local primary schools sought to build on this.

Within the estates, the Governing Body has continued its focus on the development and refurbishment of the Teaching and Learning facilities. On the Browhead campus, the English Block was refurbished and a modern Sixth Form Study Centre was created. The Head of Sixth Form and the Director of Student Pathways oversee this Centre. Additionally a new outdoor classroom was created to engage students in practical science, giving them experience of collecting and analysing data and making predictions in the real world, beyond the limitations of the classroom or laboratory. The wider educational benefits of teaching and learning science through fieldwork in the natural and built environments include teamwork, motivation and its potential to influence positively the choice of science as a future subject of study at University.

To further the school's superb achievements in sailing and water sports and the value that participation in these activities provides to all our pupils, the school invested in an additional 6 racing boats for the Hodge Howe Water Sports Centre.

Principal Activity

The Trust's principal activity, as specified in the Memorandum of Association, is the advancement of education.

Public Benefit

Windermere Educational Trust Limited remains committed to the aim of providing public benefit in accordance with its founding principles. Charity law has introduced a requirement to demonstrate that public benefit for charitable purposes where it has hitherto been presumed in the absence of evidence to the contrary. This in turn calls for more detailed disclosures concerning our aims.

**GOVERNORS' REPORT (INCLUDING THE STRATEGIC REPORT) - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2015**

The awarding of bursaries for the needy is a measurable means of providing public benefit. The Board takes the view that bursaries awarded to those who would not otherwise be able to afford the fees are important, but not to the exclusion of the much wider benefit that the Trust provides within the community. Those pupils who attend our Schools and who receive financial support contribute to the School community in a variety of ways, and so the benefit is not purely to these pupils but to the Trust and, in some cases, to the wider community. This year the Trust awarded bursaries, scholarships and other awards totalling £1.3m (2014: £1.2m). Within this, means-tested awards based on a sliding scale according to financial circumstances totalling £580k were awarded to 69 pupils, including 4 for full fees (2014: 50 bursaries totalling £513k).

In addition to bursaries, the Trust has engaged in many other activities that provide benefit to the public within the Trust's objectives. It is difficult to measure accurately the financial value of this public benefit. The benefit provided by bursaries and other activities can then be considered alongside the benefit of educating the 361 UK pupils which, in itself, has saved the exchequer some £1.4m.

The Trust is an important part of the local community with, in 2014-15, some 135 full and part-time employees and visiting teachers – making it one of the largest employers in the district. By far the largest proportion of the Trust's expenditure is accounted for by salaries and purchases from local and regional businesses. Thus a significant proportion of funds are invested directly into the local economy.

Other charitable activities:

In addition to its primary purpose, the Trust provides a number of services and experiences to local primary schools free of charge. These include a 'Chemical Magic' Show, Watersports Day, Languages Day and Geography Day, in addition to hosting an annual Cross Country Event for 26 local primary schools. Sailing and Watersports tuition at the School's lake front Watersports Centre is provided on a weekly basis to a local primary school at minimal charge, and the Trust also provides a high quality School Meals Service to two other schools, in addition to supplying the local 'Meals on Wheels' service.

Twice per year the Preparatory School hosts Forest Fun Days which are open to any child between the ages of two and seven, free of charge, and which provide a range of fun outdoor experiences. The Trust also frequently lets the School's facilities at no charge to local community or charitable groups such as the Community Choir, Rotary Club, County Sports Associations and Blackwell Sailing who provide free of charge sailing activities for those with a disability.

Pupils also make significant contributions to the local community and other charities, both locally and internationally.

The School runs a service programme for years 10 and 11, where pupils engage in a variety of activities for one afternoon per fortnight for the benefit of the local community. Examples of activities undertaken include repairing footpaths on the fells, conservation work in the grounds of a local visitors' centre, assisting at the local food bank and visits to the residents of local care homes.

The School also works closely with the Tiger Kloof Educational Institute in South Africa. Each year ten pupils from the Senior School visit South Africa to volunteer in a soup kitchen, nursery and disabled centre. The School and the pupils actively fundraise for Tiger Kloof throughout the year by way of events and activities.

Pupils engage in regular fundraising activities for other charities. Amounts were raised in 2014-15 for Children in Need, Comic Relief and the Nepal Earthquake Relief Fund.

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

The Senior School's consistently excellent performance in public examinations was maintained again this year with 91% (2014: 84%) of pupils obtaining 5 or more A* - C grade GCSEs and 39% (2014: 36%) of grades were either A* or A.

With regards to the International Baccalaureate, the Senior School pupils, once again, achieved some very high results. The average result was 32 (2014: 33) out of a possible 45, which carries more university tariff points than three A*s at A level, with three pupils achieving more than 40 points.

WINDERMERE EDUCATIONAL TRUST LIMITED
T/A WINDERMERE SCHOOL AND WINDERMERE PREPARATORY SCHOOL

GOVERNORS' REPORT (INCLUDING THE STRATEGIC REPORT) - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2015

The Schools retain their place amongst the top schools in the country for academic performance which, combined with the added breadth of the educational experience, enables pupils to reach their full potential. A significant number of pupils from the Senior School moved into their first choice University place.

Attaining excellent academic achievement did not prejudice sporting and cultural activities this year.

The School encourages sport for all whilst supporting those students aiming to excel. In 2014-15 the School competed in around 200 fixtures in a range of sports including; hockey, football, netball, basketball, cross-country, table tennis, cricket, tennis, athletics and rounders, winning over half of these. Pupils went on to represent the County in hockey, netball, cross country, cricket, tennis and athletics with one pupil representing the Pennine Pumas at the National Futures Cup Tournament (hockey) and another pupil competing for Cumbria in the ESAA Nationals, throwing the javelin. The U14 and U16 Netball Teams were County finalists, the U13 boys football team were County Cup semi-finalists, the U18 boys hockey team were County Runners-up and the U14 boys hockey team were County Champions. Eight pupils attained a Gold Duke of Edinburgh Award.

In sailing, the school became the first and only school in the UK to be awarded RYA Champion Club status in November 2014. The school is a centre of excellence for racing which forms part of the Olympic pathway. During the year, four pupils became national champions, and ten pupils attended the Feva World Sailing Championships in Germany, with the School's top sailors achieving a ranking of 24th in the world.

In the Arts, pupils participated in the Mary Wakefield Competitive Music Festival winning 7 trophies and 28 certificates, and the School's production of Twelfth Night, performed for the Shakespeare School's festival, toured two local theatres. For the second year running, the School won the Good Schools Guide Award for Excellence in Theatre studies.

FUTURE PLANS

The core elements of the Trust's Development Plan are:

- To continue to ensure the campuses offer a safe and attractive environment for pupils, staff and visitors;
- To provide a happy and secure pastoral environment, suitable for both day and boarding pupils, in which all pupils are offered opportunities for leadership and service to others;
- To provide a stimulating learning environment in which pupils can develop their academic potential to the full;
- To offer all pupils the opportunities of experiencing a broad range of intellectual, cultural, sporting and wider-community influences;
- To increase the capability of the Trust to offer education to children whose parents are unable to afford full fees;
- To provide an enjoyable and appropriately challenging environment within which members of staff may develop their careers;
- To ensure that the Trust plays a significant part in the life of the local community, sharing facilities and seeking local partnerships wherever possible.

These aims underpin development plans which have been developed for each of the areas and so the Trust continues to enhance its ability to provide a first-class education to its pupils.

FINANCIAL REVIEW

Results for the year

Gross fee income increased by 5.3% to £7,264k (2014: £6,898k), but an increase of 8.1% in fee concessions gave an overall net fee income increase of 4.7% to £5,973k (2014: £5,703k). Total incoming resources amounted to £6,490k (2014: £6,385k) whilst costs decreased slightly to £6,508k (2014: £6,540k) resulting in net outgoing resources of £18k (2014: £155k). The fall in costs is despite an increase in the depreciation charge to £443k in 2015 from £211k in 2014 after a change to the depreciation method discussed below. The trading surplus for the year prior to deduction of depreciation was £425k (2014: £56k).

**WINDERMERE EDUCATIONAL TRUST LIMITED
T/A WINDERMERE SCHOOL AND WINDERMERE PREPARATORY SCHOOL**

**GOVERNORS' REPORT (INCLUDING THE STRATEGIC REPORT) - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2015**

Reserves Policy

The Trust's free reserves at the year end amounted to £702k (2014: £611k) representing retained unrestricted income reserves. The Trust has adopted a policy of maintaining free reserves at a level to provide reasonable cover for operating costs with any surplus to be re-invested into improvement of the estates and school facilities. Under this policy, the Trust has invested well in excess of £1m over the past three years.

Fixed Assets

Tangible fixed assets are held by the Trust for use by the School although there are some properties that could be divested should the need arise. At the start of the year, the Trust changed the depreciation method from a reducing balance basis to a straight line basis in order to give a fairer presentation of the financial position. This has resulted in a doubling of the depreciation charge from £211k in 2014 to £443k in 2015, and therefore a reduced net book value of fixed assets in 2015 to £15,998k compared to £16,192k in 2014. Note 1.5 describes the Trust's accounting policy in relation to fixed assets.

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The Governing Body (whose members are the directors of Windermere Educational Trust Limited for the purposes of company law) is responsible for preparing the Annual Report (including the Strategic Report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Governing Body to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Governing body is required to:

- Select suitable accounting policies and apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Governing Body is responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT OF DISCLOSURE TO THE AUDITOR

In so far as the Directors are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware; and
- The directors have taken all steps that they ought to have taken to make themselves aware of that information and to establish that the charitable company's auditor is aware of that information.

On behalf of the Governing Body:



Mr M Dwan
Chairman of Governing Body

**WINDERMERE EDUCATIONAL TRUST LIMITED
T/A WINDERMERE SCHOOL AND WINDERMERE PREPARATORY SCHOOL**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WINDERMERE EDUCATIONAL TRUST LIMITED
FOR THE YEAR ENDED 31 AUGUST 2015**

We have audited the financial statements of Windermere Educational Trust Limited for the year ended 31 August 2015 which comprise the statement of financial activities, the balance sheet, the cash flow statement and related notes, and the related notes, as set out on pages 11 to 26. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Governors' Responsibilities Statement included within the Governors' Report, the trustees, who are also the directors of the charitable company for the purposes of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Governors' Report (including the Strategic Report) to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2015, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Governors' Report (including the Strategic Report) for the financial year for which the financial statements are prepared is consistent with the financial statements.

**WINDERMERE EDUCATIONAL TRUST LIMITED
T/A WINDERMERE SCHOOL AND WINDERMERE PREPARATORY SCHOOL**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WINDERMERE EDUCATIONAL TRUST
LIMITED - Continued
FOR THE YEAR ENDED 31 AUGUST 2015**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Jackson Steple LLP

**Mr Peter Atkinson F.C.A. (Senior Statutory Auditor)
for and on behalf of Jackson Stephen LLP**

23 March 2016
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**Chartered Accountants
Registered Auditor**

James House
Stonecross Business Park
Yew Tree Way
Warrington
Cheshire
WA3 3JD

WINDERMERE EDUCATIONAL TRUST LIMITED
T/A WINDERMERE SCHOOL AND WINDERMERE PREPARATORY SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME & EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2015

	Note	Unrestricted funds General £	Designated funds £	Restricted funds £	Endowed funds £	2015 £	2014 £
INCOMING RESOURCES							
Income from charitable activities:							
Fees receivable	2	5,972,761	-	-	-	5,972,761	5,703,163
Sundry and other income		110,593	-	-	-	110,593	105,854
Incoming resources from generating funds:							
Summer School		345,789	-	-	-	345,789	470,306
Rents and letting of premises		3,822	-	-	-	3,822	3,989
Bank and other interest		321	-	-	-	321	428
Donations	3	24,022	-	600	-	24,622	100,405
Other incoming resources		31,945	-	-	-	31,945	540
Total incoming resources		6,489,253	-	600	-	6,489,853	6,384,685
RESOURCES EXPENDED							
Cost of generating funds:							
Finance costs	6	131,625	-	-	-	131,625	163,369
Associated Summer School costs		228,996	-	-	-	228,996	226,390
		360,621	-	-	-	360,621	389,759
Net incoming resources available for charitable application		6,128,632	-	600	-	6,129,232	5,994,926
Charitable activities:							
Academic costs – recurring		3,248,177	-	4,667	-	3,252,844	3,363,481
Academic costs – exceptional		-	-	-	-	-	31,400
Welfare costs – recurring		834,195	-	-	-	834,195	791,953
Welfare costs – exceptional		-	-	-	-	-	5,000
Property costs – recurring		730,222	-	11,074	-	741,296	837,755
Property costs – exceptional		-	-	-	-	-	12,500
Management and administration costs		566,180	-	-	-	566,180	564,791
Other expenses		89,300	-	-	-	89,300	66,596
Marketing costs		206,857	-	-	-	206,857	255,487
Depreciation		442,847	-	-	-	442,847	210,850
Total charitable expenditure		6,117,778	-	15,741	-	6,133,519	6,139,813
Governance costs		13,544	-	-	-	13,544	10,336
Total resources expended	7	6,491,943	-	15,741	-	6,507,684	6,539,908
Net outgoing resources before transfers	(2,690)	-	(15,141)	-	(17,831)	(155,223)
Transfers between funds		93,480	(23,315)	(14,357)	(55,808)	-	-
Net incoming/(outgoing) resources		90,790	(23,315)	(29,498)	(55,808)	(17,831)	(155,223)
Revaluation of fixed assets		-	-	-	-	-	(412,645)
Net movement in funds		90,790	(23,315)	(29,498)	(55,808)	(17,831)	(567,868)
Fund balances brought forward	14	611,058	10,545,010	72,677	55,808	11,284,553	11,852,421
Fund balances carried forward	14	701,848	10,521,695	43,179	-	11,266,722	11,284,553

Net incoming resources before depreciation for the year totalled £425,016 (2014: £55,627).

All results are derived from continuing activities. No separate profit and loss account has been prepared because the (deficit)/surplus for the financial year for Companies Act purposes is disclosed above.

WINDERMERE EDUCATIONAL TRUST LIMITED
T/A WINDERMERE SCHOOL AND WINDERMERE PREPARATORY SCHOOL

BALANCE SHEET
FOR THE YEAR ENDED 31 AUGUST 2015

	Note	2015 £	2014 £
Fixed assets			
Tangible assets	9	15,998,012	16,192,867
		<u> </u>	<u> </u>
Current assets			
Stock		4,695	4,624
Debtors	10	291,132	243,213
Cash at bank and in hand		102,023	553,310
		<u> </u>	<u> </u>
Creditors: amounts falling due within one year	11	(397,850 2,478,922)	(801,147 2,716,916)
		<u> </u>	<u> </u>
Net current liabilities		(2,081,072)	(1,915,769)
		<u> </u>	<u> </u>
Total assets less current liabilities		13,916,940	14,277,098
Creditors: amounts falling due after more than one year	12	(2,650,218)	(2,992,545)
		<u> </u>	<u> </u>
Total net assets		11,266,722	11,284,553
		<u> </u>	<u> </u>
Endowed funds	14(b)	-	55,808
Restricted funds	14(c)	43,179	72,677
Unrestricted funds	14(d)	11,223,543	11,156,068
		<u> </u>	<u> </u>
Total funds		11,266,722	11,284,553
		<u> </u>	<u> </u>

Approved by the Governors and authorised for issue on 8 March 2016



Mr M Dwan
Chairman

Company number 00914963

WINDERMERE EDUCATIONAL TRUST LIMITED
T/A WINDERMERE SCHOOL AND WINDERMERE PREPARATORY SCHOOL

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015

	Cash flow Note	2015 £	2014 £
Net cash inflow from operating activities	1	184,274	502,901
Returns from investments and servicing of finance			
Interest received		321	428
Interest paid	(131,625)	(163,369)
		(131,304)	(162,941)
Capital expenditure			
Payments for tangible fixed assets	(251,312)	(335,208)
Receipts from sale of tangible fixed assets		80	6,745
		(251,232)	(328,463)
Net cash (outflow)/inflow before financing		(198,262)	11,497
Financing			
Fees in advance scheme	(118,284)	33,828
Capital element of hire purchase contracts	(9,962)	(12,243)
New bank loans		-	2,200,000
Repayment of bank loans	(124,779)	(1,381,413)
		(253,025)	840,172
(Decrease)/increase in cash	2	(451,287)	851,669

WINDERMERE EDUCATIONAL TRUST LIMITED
T/A WINDERMERE SCHOOL AND WINDERMERE PREPARATORY SCHOOL

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015

1 Reconciliation of net outgoing resources to net cash inflow from operating activities

	2015	2014
	£	£
Net outgoing resources	(17,831)	(155,223)
Interest received	(321)	(428)
Interest paid	131,625	163,369
Depreciation	442,847	210,850
Loss/(profit) on sale of fixed assets	3,240	(540)
Increase in stock	(71)	(74)
(Increase)/decrease in debtors	(47,919)	83,446
(Decrease)/increase in creditors	(327,296)	201,501
	<u>184,274</u>	<u>502,901</u>
Net cash inflow from operating activities	<u>184,274</u>	<u>502,901</u>

2 Analysis of net debt

	Opening	Cash flow	Other non -	Closing
	£	£	cash charges	£
Cash	553,310	(451,287)	-	102,023
Debt:				
Finance leases	(9,962)	9,962	-	-
Fees in advance fee scheme	(1,660,212)	118,284	-	(1,541,928)
Debts falling due within one year	(122,300)	-	(3,899)	(126,199)
Debts falling due greater than one year	(1,986,029)	124,779	3,899	(1,857,351)
	<u>(3,778,503)</u>	<u>253,025</u>	<u>-</u>	<u>(3,525,478)</u>
Net debt	<u>(3,225,193)</u>	<u>(198,262)</u>	<u>-</u>	<u>(3,423,455)</u>

3 Reconciliation of net cash flow to movement in net debt

	2015	2014
	£	£
(Decrease)/increase in cash	(451,287)	851,669
Cash outflow/(inflow) from fees in advance scheme and lease financing	128,246	(21,585)
New bank loan	-	(2,200,000)
Cash outflow from bank loan	124,779	1,381,413
	<u>(198,262)</u>	<u>11,497</u>
Movement in net debt	<u>(198,262)</u>	<u>11,497</u>
Net debt at 31 August 2014	<u>(3,225,193)</u>	<u>(3,236,690)</u>
Net debt at 31 August 2015	<u>(3,423,455)</u>	<u>(3,225,193)</u>

WINDERMERE EDUCATIONAL TRUST LIMITED
T/A WINDERMERE SCHOOL AND WINDERMERE PREPARATORY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

1 Accounting policies

1.1 Accounting basis

The financial statements are prepared in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities", published in 2005 and revised July 2008, the Companies Act 2006 and with applicable accounting standards. They are drawn up on the historical cost basis of accounting modified to include the revaluation of freehold land and buildings at market value as at 31 August 2015.

1.2 Going concern

The charity has net current liabilities, however in common with many other similar organisations it enjoys a substantial fixed asset portfolio which has been used to provide security for the loans and overdrafts. Cash flow is monitored and forecasts are regularly prepared in order to ensure that the organisation remains within its operational overdraft limits. On this basis the Governors are confident that it is appropriate to prepare accounts on the going concern basis.

1.3 Fees and similar income

Fees, extras charged to pupils and charges for use of premises are accounted for in the period during which the service is provided. Fees receivable include extras charged to pupils and are stated after deducting allowances, scholarships and bursaries granted by the School from its unrestricted funds but gross of any contributions received from restricted, designated and endowed funds.

1.4 Leasing

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of Financial Activities so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged in the Statement of Financial Activities on a straight line basis over the lease term.

1.5 Tangible fixed assets

Tangible fixed assets are stated at cost or valuation less depreciation. Freehold land and buildings are included at valuation. Depreciation is calculated at the following annual rates:

Freehold land and buildings	- Nil
Fixtures and fittings and equipment	- 20% per annum straight line basis
Motor vehicles	- 25% per annum straight line basis

Depreciation is not provided on freehold buildings. It is the company's policy to maintain these assets in a continual state of sound repair and to make improvements from time to time. Accordingly the Governors consider that the useful economic lives of these assets are so long, and the residual values so high, that any depreciation is insignificant. Moreover whilst the initial costs of extensive refurbishment or repair programmes are capitalised, those in respect of subsequent expenditure are written off to the Statement of Financial Activities as incurred. In accordance with FRS 15 – Tangible Fixed Assets – the Governors perform an annual impairment review. Any deficits are charged to the Statement of Financial Activities, except where the asset has been revalued, they are then charged to the revaluation reserve.

WINDERMERE EDUCATIONAL TRUST LIMITED
T/A WINDERMERE SCHOOL AND WINDERMERE PREPARATORY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS - Continued
FOR THE YEAR ENDED 31 AUGUST 2015

1 Accounting policies - continued

1.6 Stocks

Stocks are stated at the lower of cost and net realisable value. They are held for use by the school and are not for resale.

1.7 Pension contributions

The School participates in both the Teachers' Pension Scheme and The Pensions Trust's Growth Plan, which are defined benefit schemes and are for teaching staff and non-teaching staff respectively. Contributions to the schemes are charged to the statement of financial activities so as to spread the cost of the pensions over employees' working lives with the School in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll.

For the Teachers' Pension Scheme, the contributions are determined by a qualified actuary on the basis of quinquennial valuations, using a prospective benefit method. For the Pensions Trust's Growth Plan, the contributions are determined by a qualified actuary on the basis of triennial valuations, using a projected unit method.

1.8 Donations and fund accounting

Donations received for the general purposes of the Charity are included as unrestricted funds. Donations for activities restricted by the wishes of the donor are taken to restricted funds if these wishes are legally binding on the Governors. Donations required to be retained as capital in accordance with the donor's wishes are accounted for as endowments - permanent or not, according to the nature of the restriction.

Assets donated to the school are valued at their purchase price and capitalised accordingly. Donations are analysed in note 3 to the accounts.

1.9 Resources expended

Resources expended are accounted for on an accruals basis. The irrecoverable element of VAT is included with the item of expense to which it relates.

Cost of generating funds include costs associated with generating incoming resources from all sources other than from undertaking charitable activities and include costs associated with rental income, the summer school and finance costs.

Resources expended on charitable activities include all the resources applied by the charity in its undertaking to meet its charitable objective of providing education and physical, moral and religious training within its school.

Governance costs comprise the costs of running the charity including external audit fees.

1.10 Fees in advance scheme

Capital sums received in advance to make provision for future fees are included within creditors and are released to fee income as the fees for each period become due for payment. The discount obtained on the fees is charged to interest payable and is based on the capital sum remaining in the scheme.

WINDERMERE EDUCATIONAL TRUST LIMITED
T/A WINDERMERE SCHOOL AND WINDERMERE PREPARATORY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS - Continued
FOR THE YEAR ENDED 31 AUGUST 2015

2 Fees

	2015 £	2014 £
Gross fees	7,264,435	6,897,551
Scholarships	(266,187)	(186,531)
Bursaries	(580,452)	(513,496)
Staff allowances	(248,902)	(293,862)
Sibling/service allowance	(196,133)	(200,499)
	<hr/>	<hr/>
Net fees	5,972,761	5,703,163

3 Donations

	2015 £	2014 £
Other donations received	24,622	100,405
	<hr/>	<hr/>
	24,622	100,405

4 Staff costs

	2015 £	2014 £
Salaries	3,324,511	3,505,415
Social security costs	253,410	266,141
Pension costs	357,186	336,799
	<hr/>	<hr/>
	3,935,107	4,108,355

The average number of employees during the year was as follows:

	2015	2014
Teaching staff	79	72
Welfare staff	23	33
Maintenance and gardens	17	11
Administrative staff	16	19
	<hr/>	<hr/>
	135	135

The number of employees receiving remuneration during the year of more than £60,000 were:

£60,001 - £70,000	1
£80,001 - £90,000	1

=

None of the members of the Board of Governors received remuneration during the year.

WINDERMERE EDUCATIONAL TRUST LIMITED
T/A WINDERMERE SCHOOL AND WINDERMERE PREPARATORY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS - Continued
FOR THE YEAR ENDED 31 AUGUST 2015

5 Transactions with related parties

A number of the Governors have children who attend the school. The fees paid by those Governors are on the same terms and conditions as are charged to any other parent who do not work at the school.

As at 31 August 2015, Mr M Dwan, a Governor of the school, had a balance with the school under the fees in advance scheme amounting to £180,088 (2014: £180,088). Discounts have been given from this scheme in the year totalling £8,860 (2014: £8,860).

During the year the school received charitable donations from Helping Hands Trust Limited amounting to £13,599 (2014: £45,633). Mr M Dwan is a Trustee of this charity.

Over the past five years Mr M Dwan has provided a range of services to the Trust on a cost or less basis. In addition Mr M Dwan has made a number of gifts in kind to the trust being the provision of free services to the Trust.

Donations made to the Trust by Mr M Dwan or organisations connected to Mr M Dwan over the past five years amounted to £298,279.

During the year North & Partners Technical Limited, a company in which Mr M Dwan is a director, provided materials and services to the school totalling £4,215 (2014: £nil).

During the year the school incurred costs of £nil (2014: £780) from Adventure Learning Schools. Mr M Dwan is a Trustee of this charity.

During the year the school incurred costs of £nil (2014: £3,582) from Cassidy & Ashton Group Limited. Mrs J Harris, a Governor of the school, is related to a director of Cassidy & Ashton Group Limited.

During the year the school received charitable donations from Windermere Wine Stores Limited amounting to £nil (2014: £588) and the school incurred costs of £3,858 (2014: £3,828). Mrs J Harris is a director of the company.

As at 31 August 2015, Mr J Dearden, a Governor of the school, had a balance with the school under the fees in advance scheme amounting to £90,000 (2014: £90,000). Discounts have been given from this scheme in the year totalling £4,428 (2014: £4,428).

6 Finance costs

	2015	2014
	£	£
Loan interest	51,290	44,395
Hire purchase interest	383	3,011
Interest on bank overdraft	823	10,405
Discounts on the fees in advance scheme	79,129	78,058
Arrangement fee	-	27,500
	<hr/>	<hr/>
	131,625	163,369
	<hr/>	<hr/>

WINDERMERE EDUCATIONAL TRUST LIMITED
T/A WINDERMERE SCHOOL AND WINDERMERE PREPARATORY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS - Continued
FOR THE YEAR ENDED 31 AUGUST 2015

7 Analysis of total resources expended

	Staff costs	Other	Depreciation	2015	2014
	£	£	£	Total	Total
				£	£
Cost of generating funds					
Finance costs	-	131,625	-	131,625	163,369
Associated summer school cost	125,384	103,612	-	228,996	226,390
Charitable activities					
Academic costs – recurring	2,767,309	485,535	-	3,252,844	3,363,481
Academic costs – exceptional	-	-	-	-	31,400
Welfare costs - recurring	502,491	331,704	-	834,195	791,953
Welfare costs – exceptional	-	-	-	-	5,000
Property costs – recurring	184,370	556,926	-	741,296	837,755
Property costs – exceptional	-	-	-	-	12,500
Management and administration costs	240,316	325,864	-	566,180	564,791
Other expenses	-	89,300	-	89,300	66,596
Marketing costs	115,237	91,620	-	206,857	255,487
Depreciation	-	-	442,847	442,847	210,850
Governance costs	-	13,544	-	13,544	10,336
Total resources expended	3,935,107	2,129,730	442,847	6,507,684	6,539,908

8 Net outgoing resources

These are stated after charging/(crediting):

	2015	2014
	£	£
Operating lease rentals for equipment	188,542	302,168
Depreciation of tangible fixed assets	442,847	210,850
Exceptional costs in the year	-	48,900
Fees payable to the Company's auditor for the audit of the Company's accounts	7,660	6,950
Rental income	(3,822)	(3,989)
Loss/(profit) on disposal of fixed assets	3,240	(540)

During the year the basis of depreciation on tangible fixed assets was reassessed from that of reducing balance basis to straight line basis. This resulted in an increase in depreciation charged for the year of £238,506 had the previous method continued to be used. The governors consider that the new method more accurately reflects the profile of the assets.

WINDERMERE EDUCATIONAL TRUST LIMITED
T/A WINDERMERE SCHOOL AND WINDERMERE PREPARATORY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS - Continued
FOR THE YEAR ENDED 31 AUGUST 2015

9 Tangible fixed assets

	Freehold land and buildings £	Fixtures & fittings, & equipment £	Motor vehicles £	Total £
At cost or valuation				
At 1 September 2014	15,300,000	2,886,889	44,964	18,231,853
Additions	-	248,762	2,550	251,312
Disposals	-	(6,243)	(1,000)	(7,243)
At 31 August 2015	15,300,000	3,129,408	46,514	18,475,922
Depreciation				
At 1 September 2014	-	2,013,886	25,100	2,038,986
Provided for in year	-	432,073	10,774	442,847
Eliminated on disposal	-	(2,994)	(929)	(3,923)
At 31 August 2015	-	2,442,965	34,945	2,477,910
Net book value:				
At 31 August 2015	15,300,000	686,443	11,569	15,998,012
At 31 August 2014	15,300,000	873,003	19,864	16,192,867

Comparable historical costs for the land and buildings included at valuation:

	£
Cost	
At 1 September 2014 and at 31 August 2015	5,710,611
Depreciation based on cost	
At 1 September 2014 and at 31 August 2015	540,256
Net book value:	
At 31 August 2015	5,170,355
At 31 August 2014	5,170,355

WINDERMERE EDUCATIONAL TRUST LIMITED
T/A WINDERMERE SCHOOL AND WINDERMERE PREPARATORY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS - Continued
FOR THE YEAR ENDED 31 AUGUST 2015

9 Tangible fixed assets - continued

The freehold land and buildings were revalued in August 2014 at an existing use open market value by Mr S P Adams BSc (Hons) MCIArb FRICS on behalf of Peill & Company Ltd.

Included within freehold land and buildings is an amount of £1,755,500 (2014: £1,755,500) attributable to land, which is not depreciated.

Included within the assets above are motor vehicles held under hire purchase contracts with a net book value at 31 August 2015 of £nil (2014: £19,214). Depreciation charged on these assets in the year was £nil (2014: £4,803).

10 Debtors

	2015	2014
	£	£
Fee debtors	168,378	203,687
Other debtors and prepayments	122,754	39,526
	<u>291,132</u>	<u>243,213</u>

11 Creditors: amount falling due within one year

	2015	2014
	£	£
Bank loans (note 13)	126,199	122,300
Net obligations under hire purchase contracts (note 13)	-	9,962
Trade creditors	302,656	235,987
Fees received in advance	647,328	1,036,083
Other creditors including taxation and social security	133,916	129,607
Fees in advance scheme	972,056	1,029,331
Acceptance deposits	205,739	60,736
Accruals	91,028	92,910
	<u>2,478,922</u>	<u>2,716,916</u>
	<u>126,199</u>	<u>132,262</u>

Debt due in one year or less

WINDERMERE EDUCATIONAL TRUST LIMITED
T/A WINDERMERE SCHOOL AND WINDERMERE PREPARATORY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS - Continued
FOR THE YEAR ENDED 31 AUGUST 2015

12 Creditors: amounts falling due after more than one year

	2015	2014
	£	£
Bank loans (note 13)	1,857,351	1,986,029
Acceptance deposits	222,995	375,635
Fees in advance scheme	569,872	630,881
	<u>2,650,218</u>	<u>2,992,545</u>

13 Loans analysis and net obligations under hire purchase contracts

	2015	2014
	£	£
a) Loans		
Analysis of loans		
Not wholly repayable within five years by instalments:		
Bank loan	1,983,550	2,108,329
Included within current liabilities	(126,199)	(122,300)
	<u>1,857,351</u>	<u>1,986,029</u>
Instalments not due within five years	<u>1,313,570</u>	<u>1,457,842</u>
Maturity analysis		
In one year or less	126,199	122,300
In more than one year but no more than two years	130,097	126,199
In more than two years but no more than five years	413,684	401,988
In more than five years	<u>1,313,570</u>	<u>1,457,842</u>

The bank loan is repayable over fifteen years. The loan is subject to an interest rate that is equal to the Bank of England base rate + 2%. It is secured upon certain freehold land and buildings held by the School and a fixed and floating charge over other assets.

WINDERMERE EDUCATIONAL TRUST LIMITED
T/A WINDERMERE SCHOOL AND WINDERMERE PREPARATORY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS - Continued
FOR THE YEAR ENDED 31 AUGUST 2015

13 Loans analysis and net obligations under hire purchase contracts – continued

b) Net obligations under hire purchase contracts

	2015	2014
	£	£
Repayable within one year	-	9,962
Repayable between one and five years	-	-
	<u> </u>	<u> </u>
	-	9,962
Included in liabilities falling due within one year	-	(9,962)
	<u> </u>	<u> </u>
	-	-
	<u> </u>	<u> </u>

Net obligations under hire purchase contracts are secured by fixed charges on the assets concerned.

14 Funds

a) Allocation of charity funds

	Tangible fixed assets £	Net current assets/(liabilities) £	Long term liabilities £	Total £
Restricted funds	18,870	24,309	-	43,179
Unrestricted funds				
- designated funds	10,521,695	-	-	10,521,695
- general funds	5,457,447	(2,105,381)	(2,650,218)	701,848
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	15,998,012	(2,081,072)	(2,650,218)	11,266,722
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

b) Endowed funds

	Balance at 1 September 2014 £	Incoming resources £	Resources expended £	Transfers & investment losses £	Balance at 31 August 2015 £
Endowed fund	55,808	-	-	(55,808)	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

WINDERMERE EDUCATIONAL TRUST LIMITED
T/A WINDERMERE SCHOOL AND WINDERMERE PREPARATORY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS - Continued
FOR THE YEAR ENDED 31 AUGUST 2015

14 Funds - continued

c) Restricted funds

	Balance at 1 September 2014 £	Incoming resources £	Resources expended £	Transfers & investment profits £	Balance at 31 August 2015 £
Blackwell Scholarship fund	14,357	-	-	(14,357)	-
Film and media fund	23,333	-	(4,667)	-	18,666
Multilingual communication fund	5,643	-	-	-	5,643
Crampton Hall development fund	29,344	600	(11,074)	-	18,870
Total	72,677	600	(15,741)	(14,357)	43,179

The film and media fund and the multilingual communication fund were set up to provide equipment and support for film and media studies, along with the development of the website to be multilingual.

The Crampton Hall Development Fund has been set up to raise funds for the restoration and preservation of Crampton Hall.

d) Unrestricted funds

	Balance at 1 September 2014 £	Incoming resources £	Resources expended £	Transfers & investment profits/(losses) £	Balance at 31 August 2015 £
Designated funds:					
Surplus on revaluation	10,521,695	-	-	-	10,521,695
Mildred Hill Fund	23,315	-	-	(23,315)	-
Total designated funds	10,545,010	-	-	(23,315)	10,521,695
General Fund					
Profit and loss	611,058	6,489,253	(6,491,943)	93,480	701,848
Total unrestricted funds	11,156,068	6,489,253	(6,491,943)	70,165	11,223,543

The surplus on the revaluation reserve records the unrealised surpluses arising on the revaluation of land and property. No release from the revaluation reserve has taken place this year in respect of depreciation, as the school no longer depreciates land and buildings.

WINDERMERE EDUCATIONAL TRUST LIMITED
T/A WINDERMERE SCHOOL AND WINDERMERE PREPARATORY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS - Continued
FOR THE YEAR ENDED 31 AUGUST 2015

15 Financial commitments

At 31 August 2015, the Company had annual commitments under non-cancellable operating leases as follows:

	2015	Other	2014
	£		£
Leases which expire:			
Less than one year	4,882		-
Between two and five years	41,146		301,189
	<u>46,028</u>		<u>301,189</u>

16 Capital commitments

	2015	2014
	£	£
Contracted for but not provided in the financial statements	547,872	7,350
	<u>547,872</u>	<u>7,350</u>

17 Share capital

The charity has no share capital being a company limited by guarantee. Each member is required to contribute an amount not exceeding £1 per member in the event of a winding up situation.

18 Pension costs

The School's employees belong to two principal pension schemes, the Teachers' Pension Scheme for teaching staff and The Pensions Trust's Growth Plan for support staff. The total pension cost for the year was £357,186 (2014: £336,799).

The Teachers' Pension Scheme (TPS)

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014.

WINDERMERE EDUCATIONAL TRUST LIMITED
T/A WINDERMERE SCHOOL AND WINDERMERE PREPARATORY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS - Continued
FOR THE YEAR ENDED 31 AUGUST 2015

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%))
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

During the year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

FRS 17

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

The Pensions Trust's Growth Plan

The School participates in The Pensions Trust's Growth Plan (the Plan). The Plan is funded and is not contracted-out of the State scheme. It is a multi-employer pension plan. Contributions paid into the Plan up to and including September 2001 were converted to defined amounts of pension payable from Normal Retirement Date. From October 2001 onwards, contributions were invested in personal funds which have a capital guarantee and which convert to pension on retirement, either within the plan or by the purchase of an annuity.

The pensions cost is assessed every three years. The assumptions and other data regarding the valuation of the Plan are as follows:

Latest actuarial valuation	30 September 2011
Actuarial method	Projected Unit Method
Investment returns pre-retirement	4.9% per annum
Investment returns post-retirement:	
Actives/deferreds	4.2% per annum
Pensioners	4.2% per annum
Salary scale increases	2.9% per annum
Market value of assets at date of last valuation	£790 million
Proportion of members' accrued benefits covered by the actuarial value of the assets	84%

FRS 17

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.